

## Message Text

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47

ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 INRE-00 NSCE-00 CIAE-00

COME-00 EB-07 INR-07 LAB-04 NSAE-00 RSC-01 SIL-01

DODE-00 PM-03 H-01 L-02 NSC-05 PA-01 PRS-01 SP-02

SS-15 USIE-00 /063 W

----- 069702

O R 171433Z JAN 75

FM AMEMBASSY LISBON

TO SECSTATE WASHDC IMMEDIATE 1463

INFO AMCONSUL OPORTO

AMCONSUL PONTA DELGADA

C O N F I D E N T I A L LISBON 294

EO 11652: GDS

TAGS: ECON, ELAB, PO

SUBJ: ITT-SHERATON MANAGER PURGED BY WORKERS

1. THE AUSTRIAN GENERAL MANAGER (HANS OPPACHER) AND PORTUGUESE PERSONNEL OFFICER OF THE ITT MAJORITY-OWNED LISBON SHERATON WERE PURGED (SANEADO) FROM THEIR POSITIONS BY THE HOTEL'S WORKERS. THE ACTION WAS VOTED AT A LATE WEDNESDAY (JAN 15) MEETING ATTENDED BY ABOUT 300 OF THE 400 EMPLOYEES. THE OFFICIALS ARE CHARGED WITH NON-COMPLIANCE WITH THE LABOR CONTRACT, DISMISSALS WITHOUT JUST CAUSE, MISALLOCATION OF FUNDS FROM THE SERVICE CHARGE WHICH IS SUPPOSED TO BE DIVIDED BETWEEN THE WORKERS, AND DISCRIMINATION AGAINST CERTAIN EMPLOYEES. OFFICIALS WERE GIVEN FIVE DAYS TO VACATE PREMISES.

2. HOTEL CONTINUES TO OPERATE NORMALLY. REGULAR SERVICES ARE BEING OFFERED AND EMBASSY HAS RECEIVED NO REPORTS OF INCONVENIENCE TO ANY GUEST. THERE HAVE BEEN UNSUBSTANTIATED REPORTS OF SOME PICKETING AND SEARCHES AT THE EMPLOYEE ENTRANCE.

3. OPPACHER, WHO WAS RATHER CLOSE-MOUTHED ABOUT SITUATION, REPORTS THAT ITT VICE-PRESIDENT FROM BOSTON IS ON SCENE AND  
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ENGAGED IN NEGOTIATIONS WITH LABOR MINISTER. MANAGER IS PES-

SIMISTIC ABOUT OUTCOME BECAUSE HE FEELS GOP DOES NOT CONTROL SITUATION. HE BELIEVES THAT ULTIMATE OUTCOME WILL SEE HIM LEAVING ON MONDAY AND BEING REPLACED TEMPORARILY BY PORTUGUESE MANAGER. HE ATTRIBUTES WORKERS' ACTION TO DESIRE TO REPLACE ALL FOREIGNERS AND SEES IT AS LOGICAL EXTENSION OF PRESENT POLITICAL SITUATION IN PORTUGAL. HE SAYS ALL CHARGES ARE PREPOSTEROUS AND STATES THAT VOTE WAS TAKEN UNDER MOST UNFAVORABLE CONDITIONS (TO THOSE SUPPORTING HIM).

4. EMBASSY HAS RECEIVED INFORMATION THAT OPPACHER IS DIFFICULT MAN TO WORK FOR AND HAS HAD PERSONALITY CLASHES WITH PORTUGUESE WORKERS, SOME OF WHOM MAY BE TRYING FOR HIS POSITION. THERE IS ALSO A REPORT THAT HIS SALARY (REPORTEDLY \$4,000 PER MONTH) WAS DISCOVERED BY WORKERS AND RESENTED. COINCIDENTLY, PRESS REPORTED TODAY (JAN 17) PROPOSED LAW TO FIX MAXIMUM SALARY IN PORTUGAL AS SIGNIFICANTLY LOWER LEVEL. ACCORDING TO SHERATON'S AUDITORS, THERE IS NO SUBSTANCE TO CHARGE OF MISALLOCATION OF FUNDS.  
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